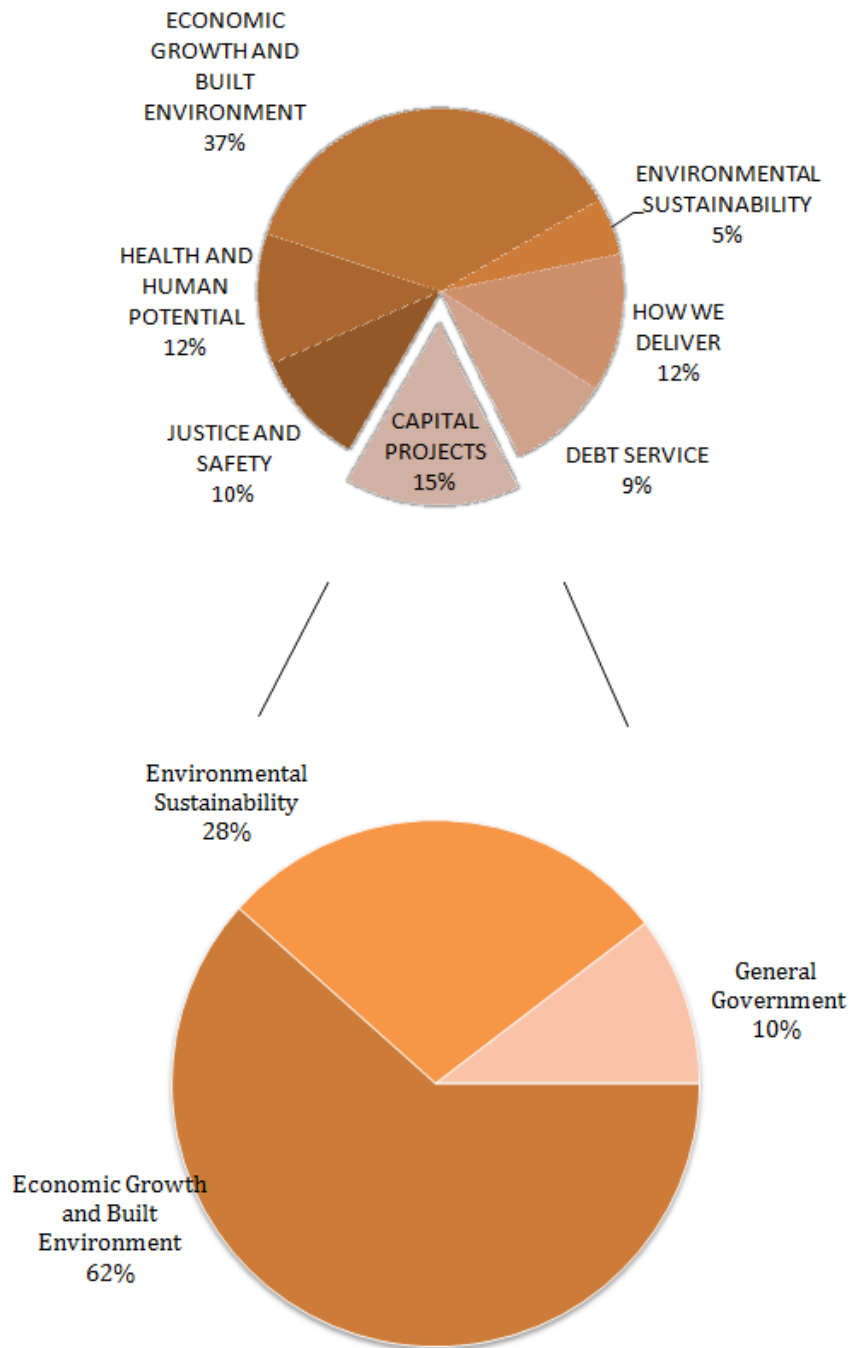

CAPITAL BUDGET

CAPITAL IMPROVEMENT PROGRAM ***\$833 MILLION***



Due to rounding, figures in pie chart may not add to 100%.

INTRODUCTION

The proposed capital improvement project (CIP) budget is \$832.7 million for 2012-2013. Of this amount, \$388.6 million is budgeted for 2013 for transportation agency biennial budgets. This overview describes the allocation of the CIP by strategic plan goal.

Economic Growth and Built Environment: 2012 - \$124.3; 2013 - \$388.6 (in millions)

The Economic Growth and Built Environment goal of the King County Strategic Plan is to “Encourage a growing and diverse King County economy and vibrant, thriving, and sustainable communities.” To accomplish this goal, the county will link related programs and activities to establish the framework for creating prosperous, healthy and livable communities. This goal encompasses economic development, transportation, planning and permitting, trails, and our rural activities and services.

As shown on the data table on the next page, this category includes the King County International Airport, road services, transit, park facilities and housing programs. The largest share of the budget in this category is the \$289 million for the life-cycle replacement of buses. The King County/Metro Transit financial policies provide the fund balance necessary to purchase this significant number of buses without incurring debt costs.

Environmental Sustainability: 2012 \$233.1 (non-biennial budgets)

The King County Strategic Plan articulates an ambitious environmental agenda for safeguarding and enhancing King County’s natural resources and environment. Strategies in the plan focus on both local efforts to reduce the environmental impacts of county operations and regional collaboration to protect threatened salmon, clean up Puget Sound, reduce climate pollution and energy consumption, and support sustainable agriculture and forestry.

This category includes projects involving wastewater treatment, solid waste, flood and surface water, and open space land acquisition. The Wastewater Treatment Division budget amounts to \$212 million of the Environmental Sustainability budget. This budget is necessary to complete the Brightwater pipe conveyance costs and the Combined Sewer Overflow projects to reduce pollution in King County waterways.

General Government: 2012 \$86.7 (non-biennial budgets)

In the context of the King County Strategic Plan these proposed capital budgets represent “how” King County provides services to the public. For example, to deliver Elections service it is essential to have building infrastructure sufficient to process ballots without interruption while having technology to support the accurate tabulation of voting results.

This category includes facilities, technology, Harborview Medical Center and facility leases. Facility lease-to-own annual payments for the Harborview Medical Center, the Department of Transportation, the Department of Natural Resources and Parks and for general government services account for \$38 million of this category total.

Improvements in How Capital Projects Are Delivered

The King County Strategic Plan provides a framework for improving the delivery of capital infrastructure projects. The February 2010 Executive Order to improve capital program processes has led to many initiatives to improve service excellence and financial stewardship, while developing a quality workforce as employees are given the tools to more efficiently complete capital projects. Examples of how CIP project delivery, budgeting and reporting have been improved are listed below.

Service Excellence:

- Performance reporting for projects will be available on the King County web-site to show project status as compared to the baseline schedule and cost.
- Procurement Reform has improved the environment for small firms to conduct business with the County while streamlining procurement processes.

Financial Stewardship:

- The Road Services Division introduced a “tiered” level of service prioritization methodology maximize use of limited financial resources.
- Facilities Management Division improved the budgetary decision making and program transparency in a move to a building by building approach to major maintenance prioritization and scheduling.
- The Office of Strategy, Performance and Budget and the division capital program staff have collaborated to improve the budgeting and information management of capital projects as part of the Accountable Business Transformation initiative. This effort improves budget transparency while integrating the budget system with the existing project information data base. The Department of Natural Resources and Parks has improved the accessibility of the Divisions to a standard project budget and tracking system.

Quality Workforce:

- The Capital Project Management Work Group, with representation from each capital program, developed a common standard of project management definitions and requirements tools and templates. This will result in a procedures manual that can be used by project managers in each capital program to increase their efficiency and improve service delivery.

In 2012 the continuous improvement initiatives will include:

- An inventory of project management tools and recommendations
- The development of capital reporting and information delivery tools
- A project management skill set review and training programs
- Implementation of new budget system
- The development and refinement of Executive Policies and Procedures
- A second phase of King County Code changes to increase accountability
- Standards and procedures for the use of earned value measurement.

**2012 Proposed Budget for
CIP GF Transfers 0010/0699**

Code/ Item#	Description	Expenditures	FTEs *	TLTs
Adopted Budget				
AD01	2011 Adopted Budget	9,007,712	0.00	0.00
Adjustments to Adopted Budget				
SQ01	2011 Service Levels Adjusted for 2012 Costs	1,629,684	0.00	0.00
Program Changes				
PC11	Juvenile Court Electronic Social Files (ESF)	472,914	0.00	0.00
PC21	Kent Animal Shelter - Commercial Laundry	60,000	0.00	0.00
PC22	Kent Animal Shelter - Kennel Run Enclosures	123,545	0.00	0.00
PC23	CPD - South Park Landfill Due Diligence	40,000	0.00	0.00
PC24	CPD - PM Procedures Manual / Electronic Records	263,029	0.00	0.00
PC25	Building Repair and Replacement Central Rates	66,728	0.00	0.00
		1,026,216	0.00	0.00
Central Rate Changes				
CR46	KCIT Technology Projects	1,051,017	0.00	0.00
Technical Adjustments				
TA01	BRRP Technical Adjustment to Safety and Security Projects	11,538	0.00	0.00
TA02	MMRF Reserve Contribution	(2,000,000)	0.00	0.00
		(1,988,462)	0.00	0.00
2012 Proposed Budget		10,726,167	0.00	0.00

* FTEs do not include temporaries or overtime.

** Please see Budget Transparency Section table at the end of the program plan pages for section information as identified in the Budget Transparency Ordinance No. 16445.

2012 Major Maintenance Reserve Fund 3421

DEPT 0337 Major Maintenance ¹	2010 Actuals ³	2011 Adopted	2011 Estimated	2012 Proposed	2013 Projected	2014 Projected
Beginning Fund Balance	16,075,751	17,133,390	19,820,152	16,653,633	17,595,789	17,593,990
Revenues:						
Investment Interest	132,623	319,119	90,850	90,000	90,000	90,000
King Street Tenants	569,591	455,442	455,442	455,442	455,442	455,442
General Fund Contributions ^{5,6,9}	5,759,144	7,103,635	7,187,476	7,000,000	8,314,144	9,667,712
LTGO Bonds ¹⁰	3,000,000	3,587,465	3,587,465			
Public Health Pooling ⁷	1,023,777	1,460,585	1,395,520	1,133,059	1,167,051	1,202,062
Black River ⁸	256,412	288,567	333,334	332,287	342,256	352,523
Chinook Building	362,160	146,917	146,917	396,489	408,384	420,635
Goat Hill Parking Garage	121,460	128,610	138,803	127,214	131,030	134,961
Orcas Building	66,688	66,471	109,108	146,188	150,574	155,091
Earlington Bldg	273,082	0	0	315,296	324,755	334,498
Unrealized Loss-Impair Invest	15,608	0	0	0	0	0
Other/Miscellaneous (per CIP Rev Verify - balancer)	0	0	0	0	0	0
Total Revenues	11,580,545	13,556,811	13,444,915	9,995,975	11,383,635	12,812,925
Expenditures:						
Expenditures	(7,851,752)	(15,087,392)	(15,087,392)	(8,565,419)	(10,897,034)	(12,324,525)
Debt Service on 2010 Borrowing (7 years)	0	0	0	(488,400)	(488,400)	(488,400)
Encumbrances			(1,524,042)			
Total Expenditures	(7,851,752)	(15,087,392)	(16,611,434)	(9,053,819)	(11,385,434)	(12,812,925)
Other Fund Transactions						
Impaired Investment ⁴	15,608					
Receipt of General Fund Reserve in 2012 first quarter supplemental				2,000,000		
Supplemental budget anticipated in 2012 first quarter supplemental				(2,000,000)		
Total Other Fund Transactions	15,608	0	0	0	0	0
Ending Fund Balance	19,820,152	15,602,809	16,653,633	17,595,789	17,593,990	17,593,990
Less Reserves & Designations:						
Reserve for post 2013 projects				(500,000)	(500,000)	(500,000)
Reserve for encumbrances	(1,524,042)		(7,250,000)	(7,250,000)	(7,250,000)	(7,250,000)
Reserve for Prior Year CIP	(17,027,873)	(15,847,549)	(9,777,873)	(9,777,873)	(9,777,873)	(9,777,873)
Ending Undesignated Fund Balance	1,268,237	(244,740)	(374,240)	67,916	66,117	66,117
Target Fund Balance ²	0	0	0	0	0	0

Notes:

¹ Fund established in 1993 through Ordinance 10728

² There is no target fund balance requirement

³ Figures from 14th month ARMS reports

⁴ At year end 2007 the county investment pool held investments that became impaired. This adjustment reflects an unrealized loss for these impaired investments

⁵ The 2009 General Fund Transfer was reduced by \$54,520 to recognize the Benson Hill annexation.

⁶ In the 2009 Adopted Budget a \$5,342,260 one time reduction to the General Fund contribution was implemented as an alternative to other General Fund

⁷ PH 2012 clinic fees total \$1,315,727

⁸ DDES 2012 fees total \$248,522

⁹ CX fees requested in 2012 bank account total \$15,698,137

¹⁰ LTGO Bonds fund project 342618 in 2011

**2012 Executive Proposed
CAPITAL IMPROVEMENT PROGRAM
2012 - 2017**

In Millions							
	2012	2013	2014	2015	2016	2017	TOTAL
ECONOMIC GROWTH AND BUILT ENVIRONMENT							
HOUSING OPPORTUNITY	36.7						36.7
PARK FACILITIES	22.7	6.1	7.1	6.7	6.3	8.6	51.9
ROADS*	31.7	60.6	41.0	40.9	40.1	27.8	242.1
KING COUNTY AIRPORT*	10.4	10.1	10.8	9.8	.9	5.6	47.6
TRANSIT*	22.9	318.0	44.1	375.0	33.4	45.9	839.3
Subtotal Economic Growth and Built Environment	124.3	394.8	102.9	432.4	80.7	88.0	1217.5
ENVIRONMENTAL SUSTAINABILITY							0.0
OPEN SPACE HABITAT ACQUISITION	8.2						8.2
FLOOD AND SURFACE WATER FACILITIES	9.5	10.0	12.8	12.0	9.7	5.8	59.7
SOLID WASTE FACILITIES	3.5	79.5	10.8	91.3	18.4	67.3	270.7
WASTEWATER TREATMENT FACILITIES	211.9	171.0	151.2	177.0	143.9	149.9	1,004.8
Subtotal Environmental Sustainability	233.1	260.5	174.8	280.3	171.9	222.9	1343.5
GENERAL GOVERNMENT							
GENERAL GOVERNMENT SUPPORT FACILITIES	12.0	11.4	11.7	12.1	12.4	12.8	72.5
GENERAL GOVERNMENT TECHNOLOGY	20.5	3.4					23.9
HOSPITAL FACILITIES	8.0	4.3	2.2	2.2	2.2	2.2	21.0
LONG TERM LEASES	46.1						46.1
Subtotal General Government	86.7	19.0	13.9	14.3	14.6	15.0	163.5
TOTAL CIP	444.1	674.3	291.6	727.0	267.2	326.0	2724.4
Biennial Budgets for 2012/2013	65.0	388.6					453.6
Total Annual and Biennial Budgets for CIP	832.7						

Notes:

Transit, Roads and King County Airport are biennial budgets.

Use this page for notes.